

Before the
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Inquiry Concerning Service Performance
Measurement Data

Docket No. PI2016-1

REPLY COMMENTS OF THE PUBLIC REPRESENTATIVE

(February 8, 2016)

I. INTRODUCTION

In his initial comments, the Public Representative discussed different aspects of service performance measurement data and suggested several ways to improve data.¹ Two other participants, the Association for Postal Commerce and the Major Mailers Association (Joint Commenters), filed the only other initial comments in this docket.² In their comments, Joint Commenters have identified additional concerns and offered further recommendations regarding ways to improve service performance measurement data. Pursuant to the revised procedural schedule, the Public Representative hereby submits his reply comments.³

II. COMMENTS

A. Potential Deficiencies with Respect to the Accuracy, Reliability, and Representativeness of Current Service Performance Measurement Data

Joint Commenters recommend three ways to improve the accuracy, reliability, and representativeness of service performance measurement data. First, they recommend that the Commission explore the possibility of making periodic comparisons of Postal Service and mailer measurements of service performance. Comments of Joint Commenters at 2. Conceptually, this suggestion has some appeal. However, as a

¹ Comments of the Public Representative, December 14, 2015 (PR Comments).

² Comments of the Association for Postal Commerce and Major Mailers Association, December 14, 2015 (Comments of Joint Commenters); and Errata Notice of the Association for Postal Commerce and Major Mailers Association, December 16, 2015 (Errata Notice).

³ See Order Granting Second Motion for Extension of Reply Comment Deadline, January 29, 2016.

practical matter, it is unclear whether such a proposal is feasible. For the suggested comparisons to be made the meaning of “mailer measurement”, as used by Joint Commenters, would need clarification and the measurement metrics would have to be consistent.

Second, Joint Commenters allege that existing business rules and policies often create data limitations (resulting in inaccuracy of service performance data) and recommend that these rules and policies be reviewed by the Postal Service and the mailing industry. *Id.* at 3-4. From the descriptions provided by Joint Commenters, it would appear to be reasonable for the Postal Service and mailers to review the relevant business rules and policies. However, without having the Postal Service’s views on this suggestion, the Public Representative is unable to take a position.

Finally, Joint Commenters assert that reported data may not be representative (both geographically and operationally) because it is aggregated at a high level. *Id.* at 4. Joint Commenters therefore suggest further analysis by the Commission (for geographic representativeness) and by the Postal Service in collaboration with industry (to address adequately other mail characteristics). *Id.* at 4-6.

In his initial comments, the Public Representative pointed out that the representativeness of the service performance measurement data needs to be considered at each level of reporting. PR Comments at 11. The Joint Commenters go further by expressing a concern regarding non-representativeness of the reported data in a specific geographic area or entered in specific way. Comments of the Joint Commenters at 4. The Public Representative agrees that this concern has merit, and suggests that that the Postal Service regularly provide information on representativeness of the service performance data for each level of reporting.

For example, there are currently 67 postal districts aggregated into 7 postal administrative areas. For First-Class Single-Piece Mail, Standard Mail and the majority of Package Services,⁴ the greatest level of geographical disaggregation required for periodic reporting is the postal district. Comments of Joint Commenters at 4. In the

⁴ With the exceptions of Inbound Surface Parcel Post (at UPU rates). 39 C.F.R. Part 3055.60.

Quarter 3 FY 2015, for the First-Class Single-Piece Mail, for example, the highest Two-Day performance in postal districts was reported for Alaska and Honolulu.⁵ However, given the remote location of these postal districts it cannot be assumed that the reported scores are necessarily reliable. The quarterly service performance reports contain very limited information regarding methodology underlying the reported scores and make almost impossible to determine representativeness of the measured data. The Public Representative therefore suggests that the Overview and Performance Highlights sections which are part of each service performance quarterly report include more detailed information regarding the reported scores.

B. The Assessment of Whether Non-Sampling Error Materially Affects Service.

Joint Commenters believe there can be differences in service performance between mail-in-measurement and mail-not-in-measurement based upon mail preparation, entry, and physical characteristics of the mail. Joint Commenters recommend establishment of procedures for periodic measurement of the non-measured mailstream. Comments of Joint Commenters at 7-8. As a general proposition, the Public Representative agrees that it would be helpful periodically to measure the otherwise non-measured mailstream, provided, however, that the share of mail excluded from measurement is substantial enough to endanger the representativeness of the mail being measured. Otherwise, time and money need not be spent identifying residuals that do not impair representativeness of the measured mail.

C. Issues Regarding the Incomplete Measurement of Bulk Mail

In their comments, Joint Commenters state that in order to discuss how the Postal Service can increase participation in Full-Service IMb, the types of mail not currently included in service performance measurement should be considered separately. *Id.* at 8-9. Joint Commenters identify three categories of mail that they believe need to be examined:

⁵ Quarterly Performance Reports for Quarter 3 FY 2015, August 10, 2015.

- Category 1: Mail eligible for Full-Service IMb, but not mailed as Full-Service IMb;
- Category 2: Mail that is mailed at Full-Service IMb, but is excluded from measurement; and
- Category 3: Mail that is not eligible for Full-Service IMb (or is otherwise untrackable).

Id. at 9.

Category 1: With respect to eligible mail not mailed as Full-Service IMb, Joint Commenters recommend expansion of the Postal Service's reporting requirements to include "a finer break-out of adoption rates at the product category level" in order to better understand the types of mail not using Full-Service IMb, the reasons for not being in Full-Service IMb, and the potential actions for increasing the adoption of Full-Service IMb. *Id.* at 10.

The Public Representative supports these suggestions as consistent with the Public Representative's position in Section I.A. that more detailed information on the representativeness of service performance data would be desirable. The Public Representative takes no position on Joint Commenters' suggestion that the Postal Service should provide pricing incentives (discounts) to encourage more Full-Service IMb mailing of eligible mail. *Id.* at 9-10. Whether such incentives would be an appropriate way to increase participation in Full-Service IMb should be made as part of a more comprehensive review of how best to increase such participation.

Category 2: With respect to mail that is mailed as Full-Service IMb, but is excluded from measurement, Joint Commenters advocate examining the adequacy of measurement at the product level and assessing whether the percentage is statistically representative. *Id.* at 11. As discussed in Section I.A., *supra*, the Public Representative believes it would be desirable for the Postal Service to provide more detailed information on the representativeness of service performance data. Consistent with that view, the Public Representative believes that the adequacy of measurement at the

product level should also be examined to assess whether the measured data is statistically representative.

Joint Commenters also suggest that the Postal Service should report additional metrics in its quarterly service performance reporting, namely, a Service Performance Measurement Mail Exclusion Report. *Id.* at 12. The Public Representative agrees with the Joint Commenters that it will be useful to indicate the percentage of data excluded from measurement. *Id.* at 12-13. The Public Representative acknowledges the value of comprehensive analysis attached to Joint Commenters' Errata Notice. That analysis estimates the volumes and the related percentages of mail in service performance measurement.⁶ However, the percentage of mail included in measurement does not provide sufficient information to determine if service performance data is representative or not. The Public Representative suggests that for transparency reasons and in the light of the proposed transfer to the internal service performance measurement system, it would be very useful periodically to report what actions the Postal Service is undertaking to ensure the representativeness of measured data and, consequently, the reliability of the reported scores.

Joint Commenters also recommend that the Postal Service take actions based on the MTAC Workgroup's recommendations. *Id.* at 13-14. Having not participated in the MTAC Workgroup's deliberations, the Public Representative is not in a position to take a position on this suggestion.

On its face the suggestion by Joint Commenters that the Postal Service should conduct regular customer webinars (*id.* at 14) appears to be reasonable and, unless problematic for some reason, should be considered.

Finally, Joint Commenters suggest that the accuracy level requirement for including mail in measurement should be lowered. *Id.* at 15. The Public Representative

⁶ The Public Representative still expresses reservations regarding the 0.01 percent share of First Single-Piece Letters/Cards measured by a system different from EXFC. Comments of Joint Commenters. Appendix. Taking into account that First-Class Single-Piece Letters and Cards are currently measured by EXFC, this percentage should most likely consider as estimation error. See Docket No. ACR 2015, Library Reference USPS-FY15-29 - Annual Report on Service Performance for Market Dominant Products.

cannot fully agree that “lowering expectations regarding the accuracy of some data might allow more data to be included, resulting in more meaningful information.” *Id.*

First, 100 percent accuracy is almost never achievable, and the estimates are considered accurate with a certain probability anyway.

Second, as the Joint Commenters correctly point out, the data is usually excluded from measurement when it either does not meet major eligibility requirements (*i.e.* does not have the [Full-Service] IMb barcode) or for multiple other reasons. *Id.* at 9. As can be inferred from the Postal Service’s RIBBS publication referenced by Joint Commenters,⁷ data is excluded from measurement if the level of uncertainty is too high (*e.g.*, measurements are invalid, incorrect, non-unique) or measurements cannot be obtained at all (*i.e.* they are unknown). The Public Representative believes that these service measurement exclusions are very important and aimed at protection of the data quality, which, otherwise, could be easily spoiled. However, it would definitely be useful if the Postal Service were periodically to publish some statistics (as detailed as possible) that would indicate the volumes of mail excluded from measurement due to multiple reasons. Such action should allow the Commission better to monitor the Postal Service’s progress regarding the increase of mail volumes shares in service performance measurement and, would assist in improving the representativeness of mail included in service performance measurement.

Category 3: With respect to mail that is not eligible for Full-Service IMb (or otherwise untrackable), Joint Commenters note that service performance measurement of mail in this category was originally deferred. *Id.* at 15-16. However, technology and system advances may make service performance measurement feasible today. *Id.* Joint Commenters suggest that the Postal Service perform a mail flow analysis of these mailstreams to identify differences in processes, transportation, or other components

⁷ Comments of Joint Commenters at 14. The summary of Service Performance Measurement exclusions is available at: https://ribbs.usps.gov/intelligentmail_latestnews/documents/tech_guides/SPMExclusionsFactSheet.pdf

that impact performance. They also recommend quantification of the volumes of mail not eligible for Full-Service IMb, at least by mail class. *Id.* at 15-16.

The Public Representative agrees that the proposed measures would be useful and could lead to the identification of practical measurement tools, periodic studies, and sampling methodologies or proxies that could be used to develop service performance measurement.

III. CONCLUSION

The Public Representative respectfully submits these comments for the Commission's consideration.

Respectfully submitted,

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